Manitoba

ANNUAL REPORT

1984 - 1985

Surface Rights
Board of Manitoba

SURFACE RIGHTS BOARD OF MANITOBA

ANNUAL REPORT 1984/85

SURFACE RIGHTS BOARD OF MANITOBA

Phone (204) 748-2484 P.O. Box 158 VIRDEN, MANITOBA R0M 2C0

June 27, 1985

The Honourable Wilson Parasiuk
Minister Responsible for the
Surface Rights Act
Room 301
Legislative Building
Winnipeg, Manitoba
R3C 0V8

Dear Mr. Parasiuk,

Re: Annual Report

We are pleased to forward to you, the Minister responsible for administration of The Surface Rights Act, the Annual Report of The Surface Rights Board for the fiscal year ending March 31, 1985.

Yours truly,

SURFACE RIGHTS BOARD OF MANITOBA

PER:

A. H. Tucker, Presiding Member

AHT:bgb
Encl.

TABLE OF CONTENTS

SURFACE RIGHTS BOARD OF MANITOBA	Page 1
PURPOSE OF THE SURFACE RIGHTS ACT	Page 2
RESPONSIBILITIES OF BOARD MEMBERS	Page 3
POWERS OF THE BOARD	Page 4
HIGHLIGHTS OF 1984/85 ACTIVITIES	Page 5
FINANCIAL HIGHLIGHTS	Page 8

SURFACE RIGHTS BOARD OF MANITOBA

MINISTER RESPONSIBLE FOR THE SURFACE RIGHTS ACT

THE HONOURABLE WILSON PARASIUK

THE BOARD

MR. ARTHUR H. TUCKER	PRESIDING MEMBER
MR. HOWARD NIXON	DEPUTY PRESIDING MEMBER
MR. KEN CARELS	MEMBER

COUNSEL

MR. DOUG PATERSON, Q.C.	BOARD SOLICITOR

THE STAFF

MR. BRYAN SHERIDAN	EXECUTIVE DIRECTOR
MS. BRENDA BOON	ADMINISTRATIVE SECRETARY

THE PURPOSE OF THE SURFACE RIGHTS ACT

The Surface Rights Act was proclaimed to be in force August 9, 1983.

The purposes of the Act are:

(a) To provide for a comprehensive procedure for acquiring and utilizing surface rights;

(b) To provide for the payment of just and equitable compensation for the acquisition and utilization of surface rights;

(c) To provide for the maintenance, preservation and restoration of the surface of land acquired in connection with surface rights;

(d) To provide for the resolution of disputes between operators, occupants and owners arising from the entry upon, use or restoration of the surface of the land.

THE RESPONSIBILITIES OF BOARD MEMBERS

The Act provides for the Surface Rights Board and empowers the Board to administer and enforce the Act. The Board is presently composed of three Members, one of whom is the Presiding Member and another who is designated the Deputy Presiding Member.

Members are appointed by the Lieutenant Governor in Council and represent various geographic, social and economic sectors of the province.

In discharging its responsibility for administration of the Act, the Board may:

a) Hold sittings from time to time at such times and places in the province as it may deem expedient;

b) Enter upon and inspect or authorize any Member of the Board or other person to enter upon and inspect any place, building, works or other property directly or indirectly involved in any matter before the Board;

(c) Appoint, or direct, to inquire into and report upon, any matter before the Board. The Members are not full time Board Members, but are paid on a per diem basis.

POWERS OF BOARD

Fulfilling its mandate to provide for the concerns of both landowners and the oil industry in Manitoba, the Board is empowered to:

(a) Administer and enforce the Act and the regulations;

(b) Carry out surveys and research programs and obtain statistics for the purposes of the Board;

(c) Conduct hearings and investigations and determine and prescribe the scope thereof;

(d) Require any person to submit to it such returns in such form as it may require;

(e) Prohibit or require the doing of any act by any of the parties to an application which is before the Board;

(f) Provide mediation services upon the request of a party to a dispute concerning surface rights.

HIGHLIGHTS OF 1984/85 ACTIVITIES

The Surface Rights Board receives various forms of inquiries, notices and applications on which it must act. During the fiscal year ended March 31, 1985, there were 22 Board meetings and 11 Board hearings. The table below summarizes the Board's 1984/85 activities.

SURFACE RIGHTS BOARD ACTIVITY

	REPORTED AT YEAR-END MAR. 31/84	NEW FILES IN 84/85	SETTLED FILES IN 84/85	YEAR-END MAR. 31/85
SIGNED AGREEMENTS FOR COMPENSATION	189	262	N/A	451
APPLICATIONS FOR REVIEW OF COMPENSATION	252	43	217	78
RIGHT OF ENTRY APPLICATIONS	45	19	62	2
ABANDONMENT NOTICES	17	25	11	31
TORTIOUS ACT APPLICATIONS	15	1	15	1
BOARD ORDERS ISSUED	12	44	N/A	56

As portrayed on the previous page, a dramatic and significant change in the Board's activities occurred during fiscal 1984/85. A total of 262 signed compensation agreements were received in 1984/85, for a sum total of 451 signed agreements filed since the inception of the Board, an increase of 139% over the previous year.

Forty-three new applications for review of compensation were received, a decrease of 209 from 1983/84. Two hundred and seventeen applications were settled or withdrawn during the year, leaving 78 applications to be resolved. The precipitous decline in the number of new applicatons before the Board attests to the effectiveness of the Board in acting as a catalyst in resolving landowner-oil industry concerns as they affect surface rights.

The increase in the number of signed compensation agreements filed and the increase in resolved applications for variation of compensation, coupled with the decline in new applications for variation, favourably reflects on the Board's decision to select several pilot cases for hearings in July 1984. Decisions rendered on those cases in September 1984 established certain parameters that paved the way for current agreements.

Nineteen additional right of entry applications were received in 1984/85. As a result of the Board's activities, a total of 62 applications (including the previous year's) were settled, leaving a carry-over of only two at fiscal year end.

Twenty-five new abandonment notices were received, and 11 abandonments were settled in 1984/85, leaving a total of 31 outstanding notices. The resolution of abandonment notices reflects the Board's efforts in acting on matters before it.

Fifteen claims for damages for tortious acts filed in 1983/84 were resolved in the current year. Only one application remains outstanding.

The Surface Rights Act provides for appeals of Board orders if either the landowner or operator feels they are not satisfied by the Board's ruling.

Of the 44 Board orders issued in 1984/85, a total of 15 are under appeal. This year's increased activity is a significant departure from 1983/84, where 10 of 12 orders issued were appealed.

MANITOBA SURFACE RIGHTS BOARD

EXPENDITURE SUMMARY

FOR THE YEAR ENDED MARCH 31, 1985

($,000)

	ACTUAL	ESTIMATE	VARIANCE	EXPLANATION NUMBER
Staff Salaries	$ 47.4	$ 48.0	$ .6	
Operating Expenditures	$ 62.8	$ 98.6	$35.8	1
TOTALS	$110.2	$146.6	$36.4	

Variance Explanation:

1. The decrease in actual operating expenditures reflects the Board's streamlined operation. The Board comprised fewer Members than are authorized, generating a commensurate reduction in expenditures.